



# County of Fairfax, Virginia

## ADDENDUM

**DATE:** December 15, 2015

### ADDENDUM NO. 2

**TO:** ALL PROSPECTIVE OFFERORS

**REFERENCE:** RFP2000001803

**FOR:** Property Management and Maintenance for Stonegate Village Apartments

**CLOSING DATE/TIME:** January 7, 2016 at 10:00 a.m.

The following are questions and answers from the pre-proposal conference of December 9, 2015:

- Q1. Can we mark our proposal proprietary?  
A1. No, you cannot designate your entire proposal as proprietary. You must identify the specific data that is proprietary and state the reason why it should be considered proprietary. We have added a form to Appendix B of the RFP for this purpose, (attached to this Addendum No. 2). The form is provided as a courtesy to assist vendors desiring to protect trade secrets and proprietary information from disclosure under the Virginia Freedom of Information Act.
- Q2. Are we required to include a Transition Plan in our proposal?  
A2. Yes. Please include the Transition Plan in your Technical proposal.
- Q3. Please discuss your Section 8 contract.  
A3. There are 46 Section 8 units. Please see attached HAP contract.
- Q4. Where are you in the 5-year Rent Comparability study?  
A4. Last Rent Comparability study completed June 10, 2014.
- Q5. When was the last REAC conducted at the property and what was the score?  
A5. REAC was conducted 9/2014. The property scored a 98C.
- Q6. When was the last MOR?  
A6. 11/2009.
- Q7. When was the last tax credit audit performed?  
A7. 10/22/14.
- Q8. What is the term of the Extended Use Agreement?  
A8. 15 years, to expire 2023.
- Q9. Was this a Section 236 property?  
A9. Yes.

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**Department of Purchasing & Supply Management**

12000 Government Center Parkway, Suite 427

Fairfax, VA 22035-0013

**Website:** [www.fairfaxcounty.gov/dpsm](http://www.fairfaxcounty.gov/dpsm)

**Phone** (703) 324-3201, **TTY:** 711, **Fax:** (703) 324-3681

Q10. The last major rehab was in 1993. Any plans for a major rehab?

A10. Department of Housing and Community Development is in conversations about a near future rehab.

Q11. Any pending litigation on the property?

A11. No.

Q12. Any capital needs?

A12. Yes, anticipated to be included in the rehab plans.

Q13. Any lead-based paint at the property?

A13. No.

Q14. Is the property under a long term natural gas contract?

A14. Yes, with Washington Gas, which expires 10/2016.

Q15. Is the property individually metered for utilities?

A15. Yes, with the exception of water and sewer.

Q16. Are there any special replacement reserve requirements?

A16. The property has been budgeting \$1000 Per unit Per year.

Q17. Are there any special preferences for the waitlist?

A17. The preference is that residents work and/or live in County of Fairfax.

Q18. Will the county consider extending the Closing Date?

A18. Yes, the County extended the Closing Date/Time to January 7, 2016 at 10:00 a.m. in Addendum No. 1 to the RFP.

Q19. Will the contractor be required to submit a HUD 9839B Management Agreement?

A19. Yes.

Q20. Who is the HUD contract administrator for this property?

A20. Navigate.

Q21. Which HUD office does the property fall under?

A21. The Richmond, Virginia office.

Q22. Is the Southgate Community Center available for use by the Stonegate residents?

A22. Yes.

Q23. What is the budget for Cornerstones?

A23. \$67,220.

Q24. Can we include one copy of very large documents on a CD rather than one hard copy for each of the proposals copies?

A24. Yes. However, please indicate on your hard copy proposals that the document(s) are on the CD.

Q25. What are the Reston Association dues?

A25. \$41,919.

Q26. Please provide the property financial documents?

A26. The appropriate financial documents are attached to this Addendum.

All other terms and conditions remain unchanged.



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Cindy Joy, CPPB  
Contract Specialist II

**THIS ADDENDUM IS ACKNOWLEDGED AND IS CONSIDERED A PART OF THE SUBJECT  
REQUEST FOR PROPOSAL:**

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Name of Firm

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(Signature)

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(Date)

**A SIGNED COPY OF THIS ADDENDUM SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL  
OR RETURNED PRIOR TO THE DUE DATE/TIME.**

**Note: SIGNATURE ON THIS ADDENDUM DOES NOT SUBSTITUTE FOR YOUR SIGNATURE ON  
THE ORIGINAL PROPOSAL DOCUMENT. THE ORIGINAL PROPOSAL DOCUMENT MUST  
BE SIGNED.**

**Request for Protection of Trade Secrets or Proprietary Information Pursuant to Article 2, Section 4.D.3 of the Purchasing Resolution and Va. Code Ann. § 2.2-4342(F)**

This form is provided as a courtesy to assist vendors desiring to protect trade secrets and proprietary information from disclosure under the Virginia Freedom of Information Act. In order to receive protection, you must (a) invoke the protection prior to or upon submission of the data or other materials, (b) identify the data or other materials to be protected, and (c) state the reason(s) why protection is necessary. Each of these requirements must be met with respect to the particular information for which protection is sought.

- a) Submission of this form with or without other reference to Article 2, Section 4.D.3 of the Purchasing Resolution or Va. Code Ann. § 2.2-4342(F) shall satisfy the invocation requirement with respect to data or other materials clearly identified herein.
- b) Identify the specific data or other material for which protection is sought. Suggested forms of designation include: listing the Proposal Section, Tab, or Page numbers; attaching to this form a copy of the table of contents from your Proposal with the relevant trade secret or proprietary contents highlighted; or identifying herein a document stamp used within the Proposal to designate the relevant materials (e.g. "all portions of the Proposal marked "Proprietary" or "Trade Secret").

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- c) For each distinct section of data or other information identified in response to paragraph b), above, state the reason(s) why protection is necessary. **NOTE:** Your explanation must do more than simply stating the materials are "proprietary," or "trade secrets," or "not publically available." You may attach additional sheets to this form as needed.

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Use of this form does not guarantee protection. It is incumbent upon each vendor to meet the prerequisites for protection of their trade secrets or proprietary information. Provision of this form does not constitute legal advice; you are encouraged to consult with your legal counsel prior to designation of materials for protection.

# Rent Schedule Low Rent Housing

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0012  
(exp. 07/31/2017)

1 RECEIVED OCT 23 2015

See page 3 for instructions, Public Burden Statement and Privacy Act requirements.

Project Name Stonegate Village - VA39L000002	FHA Project Number N/A	Date Rents Will Be Effective (mm/dd/yyyy) 10/1/2015
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## Part A - Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type  (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents		Col. 5 Utility Allowances  (Effective Date (mm/dd/yyyy) 10 / 01 / 2015	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only)	
		Col. 3 Rent Per Unit	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)			Col. 7 Rent Per Unit	Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
1 Bedroom	13	\$670	\$8,710	\$89	\$759	\$0	\$0
2 Bedroom	14	\$708	\$9,912	\$97	\$805	\$0	\$0
3 Bedroom	11	\$765	\$8,415	\$115	\$880	\$0	\$0
4 Bedroom	8	\$853	\$6,824	\$130	\$983	\$0	\$0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
Total Units 46		Monthly Contract Rent Potential (Add Col. 4)* \$33,861				Monthly Market Rent Potential (Add Col. 8)* \$0	
		Yearly Contract Rent Potential (Col. 4 Sum x 12)* \$406,332				Yearly Market Rent Potential (Col. 8 Sum x 12)* \$0	

\* These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

## Part B - Items Included in Rent

Equipment/Furnishings in Unit (Check those included in rent.)

<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Dishwasher	<input type="checkbox"/>
<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Carpet	<input type="checkbox"/>
<input checked="" type="checkbox"/> Air Conditioner	<input type="checkbox"/> Drapes	<input type="checkbox"/>
<input checked="" type="checkbox"/> Disposal	<input type="checkbox"/>	<input type="checkbox"/>

Utilities (Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item)  
E=electric; G=gas; F=fuel oil or coal.

<input type="checkbox"/> Heating <u>G</u>	<input checked="" type="checkbox"/> Hot Water <u>G</u>	<input type="checkbox"/> Lights, etc. <u>E</u>
<input type="checkbox"/> Cooling <u>E</u>	<input type="checkbox"/> Cooking <u>G</u>	<input type="checkbox"/>

## Services/Facilities (check those included in rent)

<input checked="" type="checkbox"/> Parking	<input type="checkbox"/>	<input type="checkbox"/> Nursing Care
<input checked="" type="checkbox"/> Laundry	<input type="checkbox"/>	<input type="checkbox"/> Linen/Maid Service
<input type="checkbox"/> Swimming Pool	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Tennis Courts	<input type="checkbox"/>	<input type="checkbox"/>

## Part C - Charges in Addition to Rent (e.g., parking, cable TV, meals)

Purpose	Monthly Charge
NONE	\$ 0.00
	\$
	\$
	\$
	\$
	\$ 0.00

## Part D - Non-Revenue Producing Space

Col. 1 Use	Col. 2 Unit Type	Col. 3 Contract Rent
NONE		\$0
Total Rent Loss Due to Non-Revenue Units		\$ \$0

## Part E - Commercial Space (retail, offices, garages, etc.)

Col. 1 Use	Col. 2 Monthly Rent Potential	Col. 3 Square Footage	Col. 4 Rent Rate Per Sq. Ft. (Col. 2 divided by Col. 3)
NONE	\$0	0	0
		Total Commercial Rent Potential	

## Part F - Maximum Allowable Rent Potential

Enter Maximum Allowable Monthly Rent Potential From Rent Computation Worksheet (to be completed by HUD or lender)	\$ 33,861
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## Addendum 2

**Part G – Information on Mortgagor Entity**

Name of Entity

Fairfax County RHA/HCDC One, L.P.

Type of Entity

- ☐ Individual
 ☐ General Partnership
 ☐ Joint Tenancy/Tenants in Common
 ☐ Other (specify)
- ☐ Corporation
 ☒ Limited Partnership
 ☐ Trust

**List all Principals Comprising Mortgagor Entity:** provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:

- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Fairfax County RHA/HCDC One, L.P.

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

**Part H – Owner Certification**

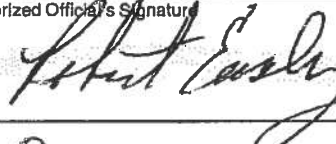
To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Robert Easley - Assistant Secretary

Authorized Official's Signature



Date (mm/dd/yyyy)

**Part I – HUD/Lender Approval**

Addendum Number

Branch Chief/Lender Official Signature

HAP Contract Number VA39L000002

Exhibit Number

Director, Housing Management Division Signature

Loan Servicer Signature

Date (mm/dd/yyyy)

Date (mm/dd/yyyy)

**EXHIBIT A**

**IDENTIFICATION OF UNITS ("CONTRACT UNITS") BY SIZE  
AND APPLICABLE CONTRACT RENTS**

**Project Name:** Stonegate Village

**Section 8 Contract No:** VA39L000002

**FHA Project Number:** N/A

**Effective Date of the Rent Increase:** 10/01/2015

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
13	1 Bedroom	\$ 670	\$89	\$ 759
14	2 Bedroom	\$ 708	\$97	\$ 805
11	3 Bedroom	\$ 765	\$115	\$ 880
8	4 Bedroom	\$ 853	\$130	\$ 983

**Do not submit a Gross Rent Change through TRACS until the HUD-92458 Rent Schedule has been returned to you duly executed from your HUD/PBCA office.**

- Note: (1) This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with the Renewal Contract.
- (2) These rents are applicable with the Amend Rents Automatic OCAF for this effective Date.

12/31/2014  
10:08 AMSTONEGATE VILLAGE APARTMENTS  
PROFIT & LOSS WITH BUDGET  
12/31/2014

Page: 1

2244 STONE WHEEL DRIVE  
RESTON VA 20191

ACCOUNT TITLE		ACTUAL	CURRENT BUDGET	VARIANCE	Y E A R ACTUAL	T O D A T E BUDGET	(MO=12) VARIANCE	ANNUAL BUDGET	FORECASTED BUDGET
5120	RENT REVENUE								
5121	RENT REVENUE/CARRYING CG/CONDO & HOA FEE	201,201	196,951	4,250	2,452,671	2,357,535	95,136	2,357,535	2,452,671
5194	TENANT ASSISTANCE PAYMENTS	19,459	18,896	563	241,479	226,785	14,694	226,785	241,479
5220	RETAINED EXCESS INCOME	0	0	0	(74)	0	(74)	0	(74)
	VACANCY	(3,610)	(1,962)	(1,648)	(60,799)	(23,500)	(37,299)	(23,500)	(60,799)
	NET RENTAL REVENUE	217,050	213,885	3,165	2,633,278	2,560,820	72,458	2,560,820	2,633,278
	FINANCIAL REVENUE								
5410	INTEREST INCOME OPERATING FUND	19	0	19	150	0	150	0	150
541010	INT NON-OP FUNDS- RES FOR REPLACEMENT	0	0	0	421	0	421	0	421
	TOTAL FINANCIAL REVENUE	19	0	19	571	0	571	0	571
	OTHER REVENUE								
5910	LAUNDRY & VENDING INCOME	2,865	3,000	(135)	35,306	36,000	(694)	36,000	35,306
5920	NSF AND LATE FEES	590	397	193	2,194	4,775	(2,581)	4,775	2,194
5930	DAMAGES,CLEANING,MISC UNIT SERVICES	0	288	(288)	2,066	3,500	(1,434)	3,500	2,066
5932	REAL ESTATE TAX REFUNDS & REIMBURSEMENTS	18,668	7,421	11,247	96,708	89,052	7,656	89,052	96,708
5940	FORFEITED TENANT SECURITY DEPOSITS	0	25	(25)	0	300	(300)	300	0
5990	OTHER REVENUE	0	150	(150)	1,897	1,800	97	1,800	1,897
	TOTAL OTHER REVENUE	22,124	11,281	10,843	138,170	135,427	2,743	135,427	138,170
	TOTAL REVENUE	239,193	225,166	14,027	2,772,018	2,696,247	75,771	2,696,247	2,772,018

12/31/2014  
10:08 AMSTONEGATE VILLAGE APARTMENTS  
PROFIT & LOSS WITH BUDGET  
12/31/2014

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2244 STONE WHEEL DRIVE  
RESTON VA 20191

ACCOUNT TITLE		ACTUAL	CURRENT BUDGET	VARIANCE	YEAR ACTUAL	TO DATE BUDGET	(MO=12) VARIANCE	ANNUAL BUDGET	FORECASTED BUDGET
<b>EXPENSES</b>									
<b>ADMINISTRATIVE EXPENSES</b>									
6210	ADVERTISING	0	25	25	0	300	300	300	0
6250	OTHER RENTING EXPENSES	583	500	(83)	12,710	16,000	3,290	16,000	12,710
6290	TENANT ACTIVITY	0	0	0	69,231	65,000	(4,231)	65,000	69,231
6310	OFFICE SALARIES	6,579	7,800	1,221	70,270	70,000	(270)	70,000	70,270
6311	OFFICE SUPPLIES	1,069	1,175	106	12,269	14,100	1,831	14,100	12,269
6313	POSTAGE	0	0	0	19	0	(19)	0	19
6320	MANAGEMENT FEES	6,019	6,019	0	72,613	72,228	(385)	72,228	72,613
6330	MANAGER OR SUPERINTENDENT SALARIES	11,099	6,008	(5,091)	56,669	42,456	(14,213)	42,456	56,669
6340	LEGAL EXPENSES	1,485	837	(648)	7,702	10,000	2,299	10,000	7,702
6350	AUDIT EXPENSE/PROFESSIONAL FEES	0	0	0	11,200	17,450	6,250	17,450	11,200
6360	TELEPHONE & ANSWERING SERVICES	825	725	(100)	9,587	8,700	(887)	8,700	9,587
6370	BAD DEBTS	2,550	0	(2,550)	2,733	0	(2,733)	0	2,733
6390	MISCELLANEOUS ADMINISTRATIVE EXPS	471	800	329	12,523	9,500	(3,023)	9,500	12,523
6393	BANK CHARGES	20	0	(20)	371	0	(371)	0	371
6395	DUES & SUBSCRIPTION	0	0	0	47	0	(47)	0	47
639510	EMPLOYEE TRAINING	0	0	0	600	0	(600)	0	600
6396	EDUCATION & TRAINING	445	0	(445)	445	0	(445)	0	445
6399	EMPLOYEE BENEFITS	246	0	(246)	246	0	(246)	0	246
TOTAL ADMINISTRATIVE EXPENSES		31,392	23,889	(7,503)	339,235	325,734	(13,501)	325,734	339,235
<b>UTILITIES EXPENSES</b>									
6450	ELECTRICITY	3,155	3,500	345	37,910	42,000	4,090	42,000	37,910
6451	WATER	43,256	0	(43,256)	175,335	185,400	10,065	185,400	175,335
6452	GAS	5,894	2,663	(3,231)	66,121	56,000	(10,121)	56,000	66,121
TOTAL UTILITIES EXPS		52,305	6,163	(46,142)	279,366	283,400	4,034	283,400	279,366
<b>OPERATING &amp; MAINTENANCE EXPENSES</b>									
6510	JANITOR & CLEANING PAYROLL	9,877	9,800	(77)	84,277	83,500	(777)	83,500	84,277
6515	SUPPLIES	1,387	650	(737)	7,769	7,800	31	7,800	7,769
6519	EXTERMINATING PAYROLL / CONTRACT	906	4,250	3,344	40,093	51,000	10,907	51,000	40,093
6525	GARBAGE & TRASH REMOVAL	1,990	2,087	97	23,880	25,000	1,120	25,000	23,880
6530	SECURITY PAYROLL / CONTRACT	2,394	4,750	2,356	53,833	57,000	3,167	57,000	53,833
6536	GROUNDS SUPPLIES	0	0	0	4,422	0	(4,422)	0	4,422
6537	GROUNDS CONTRACT	3,520	5,500	1,980	60,578	70,000	9,422	70,000	60,578
6540	REPAIRS PAYROLL	21,508	19,730	(1,778)	174,029	165,000	(9,029)	165,000	174,029
6541	REPAIRS MATERIAL	2,168	3,337	1,169	79,182	40,000	(39,182)	40,000	79,182
6542	REPAIRS CONTRACT	5,610	8,750	3,141	86,941	62,000	(24,941)	62,000	86,941
6546	HVAC REPAIRS & MAINTENANCE	7,937	1,000	(6,937)	28,571	40,000	11,429	40,000	28,571
6548	SNOW REMOVAL	0	3,000	3,000	12,449	15,000	2,551	15,000	12,449
6550	RHOA ANNUAL ASSESSMENTS	0	0	0	30,518	30,518	0	30,518	30,518
6560	DECORATING PAYROLL / CONTRACT	2,775	2,500	(275)	75,772	45,000	(30,772)	45,000	75,772

12/31/2014  
10:08 AM

<b>STONEGATE VILLAGE APARTMENTS</b> <b>PROFIT &amp; LOSS WITH BUDGET</b> 12/31/2014
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2244 STONE WHEEL DRIVE  
RESTON VA 20191

ACCOUNT TITLE		CURRENT			YEAR		TO DATE		(MO=12)	ANNUAL	FORECASTED
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET			
6561	DECORATING SUPPLIES	262	0	(262)	262	0	(262)		0	262	
6570	VEHICLE OPERATING & MAINT EXPENSE	0	87	87	47	1,000	953		1,000	47	
6590	MISCELLANEOUS OPERATING & MAINT EXPENSE	380	413	33	4,126	5,000	874		5,000	4,126	
	TOTAL OPERATING & MAINTENANCE EXPENSES	60,713	65,854	5,141	766,749	697,818	(68,931)		697,818	766,749	
	TAX & INSURANCE EXPENSES										
6710	REAL ESTATE TAXES	18,668	7,421	(11,247)	96,708	89,052	(7,656)		89,052	96,708	
6711	PAYROLL TAXES (PROJECT)	7,605	4,666	(2,939)	59,572	55,948	(3,624)		55,948	59,572	
6719	MISCELLANEOUS TAXES, LIC., & FEES	(4,307)	837	5,144	11,625	10,000	(1,625)		10,000	11,625	
6722	WORKMEN'S COMPENSATION INSURANCE	0	122	122	8,642	1,464	(7,178)		1,464	8,642	
6723	HEALTH INSURANCE & EMP BENEFITS	5,008	4,401	(607)	47,761	52,768	5,007		52,768	47,761	
	TOTAL TAXES & INSURANCE EXPENSES	26,974	17,447	(9,527)	224,308	209,232	(15,076)		209,232	224,308	
	TOTAL OPERATING EXPENSES	171,384	113,353	(58,031)	1,609,658	1,516,184	(93,474)		1,516,184	1,609,658	
	NET OPERATING INCOME(LOSS)	67,808	111,813	(44,005)	1,162,361	1,180,063	(17,702)		1,180,063	1,162,361	
	DEBT SERVICE										
682010	INTEREST - SUNTRUST	4,016	4,261	245	49,649	51,088	1,439		51,088	49,649	
682410	PRINCIPAL - SUNTRUST BANK	5,318	5,077	(241)	62,048	60,924	(1,124)		60,924	62,048	
7003	REPLACEMENT/ OP RESERVES - UNITED BANK	3,017	3,017	0	36,204	36,204	0		36,204	36,204	
6850	MORTGAGE INSURANCE PREMIUM	0	147	147	0	1,764	1,764		1,764	0	
	TOTAL DEBT SERVICE	12,351	12,502	151	147,900	149,980	2,080		149,980	147,900	
	NET OPER INCOME(LOSS) AFTER DEBT SERVICE	55,457	99,311	(43,854)	1,014,460	1,030,083	(15,623)		1,030,083	1,014,460	
	CAPITAL EXPENSES										
8000	CAPITAL EXPENDITURES	0	0	0	0	539,000	539,000		539,000	0	
8001	CABINETS & COUNTER TOP	0	0	0	7,571	0	(7,571)		0	7,571	
8002	APPLIANCES	0	0	0	596	0	(596)		0	596	
8004	AIR CONDITIONER/HEAT PUMPS	0	0	0	49,400	0	(49,400)		0	49,400	
8006	DOORS/ WINDOWS/ BLINDS	0	0	0	1,096	0	(1,096)		0	1,096	
8007	HEATING SYSTEMS	30,750	0	(30,750)	30,750	0	(30,750)		0	30,750	
8017	BUILDING EXTERIOR MISC	0	0	0	5,514	0	(5,514)		0	5,514	
8019	PLAYGROUND	0	0	0	2,270	0	(2,270)		0	2,270	
	TOTAL CAPITAL EXPENSES	30,750	0	(30,750)	97,197	539,000	441,803		539,000	97,197	
	OTHER EXPENSES										
6800	P'SHIP ADMIN FEES	(55,000)	5,000	60,000	0	60,000	60,000		60,000	0	
682040	DEFERRED INTEREST - RHA	208	208	0	2,500	2,496	(4)		2,496	2,500	
682050	DEFERRED INTEREST - RHA	1,197	1,197	0	14,364	14,364	0		14,364	14,364	
700030	DEFERRED INTEREST - PSHIP ADMIN FEE	(11,906)	10,024	21,930	98,359	120,288	21,929		120,288	98,359	

12/31/2014  
10:08 AM

STONEGATE VILLAGE APARTMENTS  
PROFIT & LOSS WITH BUDGET  
12/31/2014

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2244 STONE WHEEL DRIVE  
RESTON VA 20191

[REDACTED]

ACCOUNT TITLE		ACTUAL	CURRENT BUDGET	VARIANCE	YEAR ACTUAL	TO DATE BUDGET	(MO=12) VARIANCE	ANNUAL BUDGET	FORECASTED BUDGET
6600	DEPRECIATION/AMORTIZATION	39,912	38,540	(1,372)	463,854	462,480	(1,374)	462,480	463,854
6700	AMORTIZATION	233	233	0	2,794	2,796	2	2,796	2,794
	TOTAL OTHER EXPENSES	(25,356)	55,202	80,558	581,871	662,424	80,553	662,424	581,871
	NET PROFIT(LOSS)	50,063	44,109	5,954	335,392	(171,341)	506,733	(171,341)	335,392

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PROFIT & LOSS WITH BUDGET  
10/31/2015

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RESTON VA 20191

ACCOUNT TITLE		ACTUAL	CURRENT BUDGET	VARIANCE	YEAR ACTUAL	TO DATE BUDGET	(MO=10) VARIANCE	ANNUAL BUDGET	FORECASTED BUDGET
5120	RENT REVENUE								
5120	RENT REVENUE/CARRYING CG/CONDO & HOA FEE	206,911	203,878	3,033	2,050,007	2,038,780	11,227	2,446,537	2,457,764
5121	TENANT ASSISTANCE PAYMENTS	20,184	19,875	309	205,254	198,750	6,504	238,495	244,999
5194	RETAINED EXCESS INCOME	0	0	0	3	0	3	0	3
5220	VACANCY	(1,179)	(4,078)	2,899	(24,354)	(40,780)	16,426	(48,930)	(32,504)
	NET RENTAL REVENUE	225,916	219,675	6,241	2,230,910	2,196,750	34,160	2,636,102	2,670,262
	FINANCIAL REVENUE								
5410	INTEREST INCOME OPERATING FUND	62	0	62	402	0	402	0	402
541010	INT NON-OP FUNDS- RES FOR REPLACEMENT	0	0	0	258	0	258	0	258
	TOTAL FINANCIAL REVENUE	62	0	62	659	0	659	0	659
	OTHER REVENUE								
5910	LAUNDRY & VENDING INCOME	2,516	3,000	(484)	30,294	30,000	294	36,000	36,294
5920	NSF AND LATE FEES	145	315	(170)	3,565	3,150	415	3,775	4,190
5930	DAMAGES,CLEANING,MISC UNIT SERVICES	112	83	29	112	830	(718)	1,000	282
5932	REAL ESTATE INCOME FROM REIMBURSEMENT	0	0	0	48,764	48,354	410	96,708	97,118
5940	FORFEITED TENANT SECURITY DEPOSITS	0	25	(25)	0	250	(250)	300	50
5990	OTHER REVENUE	(10)	25	(35)	4,790	250	4,540	300	4,840
	TOTAL OTHER REVENUE	2,763	3,448	(685)	87,525	82,834	4,691	138,083	142,774
	TOTAL REVENUE	228,741	223,123	5,618	2,319,093	2,279,584	39,509	2,774,185	2,813,694

STONEGATE VILLAGE APARTMENTS  
PROFIT & LOSS WITH BUDGET  
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RESTON VA 20191

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ACCOUNT TITLE		ACTUAL	CURRENT BUDGET	VARIANCE	YEAR ACTUAL	TO DATE BUDGET	(MO=10) VARIANCE	ANNUAL BUDGET	FORECASTED BUDGET
<b>EXPENSES</b>									
<b>ADMINISTRATIVE EXPENSES</b>									
6210	ADVERTISING	557	250	(307)	5,152	2,500	(2,652)	3,000	5,652
6250	OTHER RENTING EXPENSES	716	583	(133)	30,585	10,833	(19,752)	13,000	32,752
6290	TENANT ACTIVITY	16,805	16,250	(555)	49,305	65,000	15,695	65,000	49,305
6310	OFFICE SALARIES	5,200	5,540	340	57,415	60,920	3,505	75,000	71,495
6311	OFFICE SUPPLIES	1,079	1,000	(79)	8,410	11,300	2,890	13,800	10,910
6320	MANAGEMENT FEES	6,019	6,019	0	60,190	60,190	0	72,228	72,228
6330	MANAGER OR SUPERINTENDENT SALARIES	5,264	5,384	120	58,820	59,224	404	75,742	75,338
6340	LEGAL EXPENSES	0	833	833	2,079	8,330	6,252	10,000	3,749
6350	AUDIT EXPENSE/PROFESSIONAL FEES	0	0	0	11,410	11,200	(210)	11,200	11,410
6360	TELEPHONE & ANSWERING SERVICES	652	792	140	7,539	7,920	381	9,500	9,119
6370	BAD DEBTS	176	0	(176)	176	0	(176)	0	176
6390	MISCELLANEOUS ADMINISTRATIVE EXPS	543	400	(143)	7,440	7,800	360	9,350	8,990
6393	BANK CHARGES	224	0	(224)	332	0	(332)	0	332
6395	DUES & SUBSCRIPTION	0	0	0	51	0	(51)	0	51
6396	EDUCATION & TRAINING	70	0	(70)	211	0	(211)	0	211
6399	EMPLOYEE BENEFITS	0	0	0	839	0	(839)	0	839
	<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>37,306</b>	<b>37,051</b>	<b>(255)</b>	<b>299,951</b>	<b>305,217</b>	<b>5,266</b>	<b>357,820</b>	<b>352,554</b>
<b>UTILITIES EXPENSES</b>									
6450	ELECTRICITY	2,793	3,500	707	33,766	34,750	984	42,000	41,016
6451	WATER	0	0	0	130,215	139,000	8,785	182,000	173,215
6452	GAS	3,073	3,000	(73)	44,703	48,500	3,797	59,000	55,203
	<b>TOTAL UTILITIES EXPS</b>	<b>5,866</b>	<b>6,500</b>	<b>634</b>	<b>208,684</b>	<b>222,250</b>	<b>13,566</b>	<b>283,000</b>	<b>269,434</b>
<b>OPERATING &amp; MAINTENANCE EXPENSES</b>									
6510	JANITOR & CLEANING PAYROLL	6,731	6,370	(361)	73,959	69,960	(3,999)	86,000	89,999
6515	SUPPLIES	3,327	750	(2,577)	10,242	10,500	258	12,000	11,742
6519	EXTERMINATING PAYROLL / CONTRACT	919	3,333	2,414	19,508	42,330	22,822	49,000	26,178
6525	GARBAGE & TRASH REMOVAL	2,178	2,083	(95)	21,236	20,830	(406)	25,000	25,406
6530	SECURITY PAYROLL / CONTRACT	2,242	5,200	2,958	23,252	43,000	19,748	47,600	27,852
6537	GROUPS CONTRACT	2,603	18,750	16,147	41,027	62,500	21,473	70,000	48,527
6540	REPAIRS PAYROLL	12,807	12,300	(507)	140,596	135,300	(5,296)	170,000	175,296
6541	REPAIRS MATERIAL	3,612	833	(2,779)	19,027	8,330	(10,697)	10,000	20,697
6542	REPAIRS CONTRACT	398	3,333	2,935	23,127	44,664	21,537	53,000	31,463
6546	HVAC REPAIRS & MAINTENANCE	0	3,200	3,200	917	33,100	32,183	40,000	7,817
6548	SNOW REMOVAL	2,927	0	(2,927)	11,476	7,000	(4,476)	9,000	13,476
6550	RHOA ANNUAL ASSESSMENTS	0	0	0	41,666	53,726	12,060	53,726	41,666
6551	FIRE PROTECTION EQUIPMENT	0	0	0	150	0	(150)	0	150
6560	DECORATING PAYROLL / CONTRACT	3,375	2,084	(1,291)	48,763	60,832	12,069	65,000	52,931
6570	VEHICLE OPERATING & MAINT EXPENSE	0	0	0	0	500	500	500	0
6590	MISCELLANEOUS OPERATING & MAINT EXPENSE	14	417	403	5,080	5,670	590	9,500	8,910

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RESTON VA 20191

ACCOUNT TITLE		ACTUAL	CURRENT BUDGET	VARIANCE	YEAR ACTUAL	TO DATE BUDGET	(MO=10) VARIANCE	ANNUAL BUDGET	FORECASTED BUDGET
TOTAL OPERATING & MAINTENANCE EXPENSES		41,132	58,653	17,521	480,025	598,242	118,217	700,326	582,109
TAX & INSURANCE EXPENSES									
6710	REAL ESTATE TAXES	0	0	0	48,764	48,354	(410)	96,708	97,118
6711	PAYROLL TAXES (PROJECT)	4,650	4,600	(50)	51,272	50,600	(672)	63,045	63,717
6719	MISCELLANEOUS TAXES, LIC., & FEES	50	1,800	1,750	12,987	16,200	3,213	17,000	13,787
6722	WORKMEN'S COMPENSATION INSURANCE	11,581	0	(11,581)	11,581	0	(11,581)	8,500	20,081
6723	HEALTH INSURANCE & EMP BENEFITS	4,298	4,447	149	47,916	44,470	(3,446)	53,360	56,806
TOTAL TAXES & INSURANCE EXPENSES		20,579	10,847	(9,732)	172,521	159,624	(12,897)	238,613	251,510
TOTAL OPERATING EXPENSES		104,883	113,051	8,168	1,161,181	1,285,333	124,152	1,579,759	1,455,607
NET OPERATING INCOME(LOSS)		123,857	110,072	13,785	1,157,912	994,251	163,661	1,194,426	1,358,087
DEBT SERVICE									
682010	INTEREST - SUNTRUST	3,736	3,740	4	38,640	38,673	33	46,068	46,035
682410	PRINCIPAL - SUNTRUST BANK	5,599	5,593	(6)	54,705	54,672	(33)	65,946	65,979
7003	REPLACEMENT/ OP RESERVES - UNITED BANK	3,017	3,017	0	30,170	30,170	0	36,204	36,204
TOTAL DEBT SERVICE		12,351	12,350	(1)	123,515	123,515	0	148,218	148,218
NET OPER INCOME(LOSS) AFTER DEBT SERVICE		111,506	97,722	13,784	1,034,397	870,736	163,661	1,046,208	1,209,869
CAPITAL EXPENSES									
8000	CAPITAL EXPENDITURES	0	39,415	39,415	0	677,168	677,168	716,000	38,832
8001	CABINETS & COUNTER TOP	0	0	0	428	0	(428)	0	428
8002	APPLIANCES	0	0	0	6,861	0	(6,861)	0	6,861
8004	AIR CONDITIONER/HEAT PUMPS	0	0	0	14,100	0	(14,100)	0	14,100
8006	DOORS/ WINDOWS/ BLINDS	2,004	0	(2,004)	6,639	0	(6,639)	0	6,639
8007	HEATING SYSTEMS	0	0	0	30,100	0	(30,100)	0	30,100
8009	LIGHTING & SECURITY	0	0	0	934	0	(934)	0	934
8017	BUILDING EXTERIOR MISC	0	0	0	15,430	0	(15,430)	0	15,430
8018	BUILDING INTERIOR MISC	149	0	(149)	5,306	0	(5,306)	0	5,306
8021	BATHROOM FIXTURES	0	0	0	100	0	(100)	0	100
TOTAL CAPITAL EXPENSES		2,153	39,415	37,262	79,898	677,168	597,270	716,000	118,730
OTHER EXPENSES									
6800	P'SHIP ADMIN FEES	5,000	5,000	0	50,000	50,000	0	60,000	60,000
682040	DEFERRED INTEREST - RHA	208	0	(208)	2,083	0	(2,083)	0	2,083
682050	DEFERRED INTEREST - RHA	1,197	0	(1,197)	11,970	0	(11,970)	0	11,970
700030	DEFERRED INTEREST - PSHIP ADMIN FEE	8,197	0	(8,197)	81,966	0	(81,966)	0	81,966
6600	DEPRECIATION/AMORTIZATION	38,677	38,655	(22)	386,500	386,550	50	463,854	463,804
6700	AMORTIZATION	233	234	1	2,328	2,340	12	2,808	2,796

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PROFIT & LOSS WITH BUDGET  
10/31/2015

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RESTON VA 20191

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ACCOUNT TITLE	ACTUAL	CURRENT BUDGET	VARIANCE	Y E A R ACTUAL	T O D A T E BUDGET	(MO=10) VARIANCE	ANNUAL BUDGET	FORECASTED BUDGET
TOTAL OTHER EXPENSES	53,512	43,889	(9,623)	534,847	438,890	(95,957)	526,662	622,619
NET PROFIT(LOSS)	55,841	14,418	41,423	419,652	(245,322)	664,974	(196,454)	468,520



September 17, 2014

Diane Fitzgerald  
Quantum Real Estate Management, LLC  
5101 River Road, Ste 101  
Bethesda, MD 20816

**RE: Stonegate Village  
Section 8 Contract #: VA39L000002**

Dear Diane Fitzgerald,

Enclosed are fully executed copies of the Housing Assistance Payments Contract and form HUD-92458, Rent Schedule, signed by all parties for your records.

Thank you for your time and cooperation. If you have any questions, please contact me at (888) 466-5572 ext. 2758 or [awalker@navigatehousing.com](mailto:awalker@navigatehousing.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Alicia Walker".

Alicia Walker  
Contract Management Specialist

Enclosure(s)

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Attachment 11-2

**U.S. Department of Housing and Urban Development**  
**Office of Housing**

**Project-based Section 8**  
**HOUSING ASSISTANCE PAYMENTS**  
**BASIC RENEWAL CONTRACT**  
**MULTI-YEAR TERM**  
**Stonegate Village - VA39L000002**

OMB Control #2502-0587  
Exp. (04/30/2017)

"Public reporting burden for this collection of information is estimated to average 1 hour. This includes the time for collecting, reviewing, and reporting the data. The information is being collected for obtaining a signature on legally binding documents and will be used to enforce contractual obligations. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. No confidentiality is assured."

Privacy Act Notice: The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in the form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

**PREPARATION OF CONTRACT**

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Basic Renewal Contract. The instructions are not part of the Renewal Contract

(HUD-9637)

Basic Renewal Contract  
Multi-Year Term  
REV-11-05-2007

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**U.S. Department of Housing and Urban Development  
Office of Housing**

**Project-based Section 8**

**HOUSING ASSISTANCE PAYMENTS**

**BASIC RENEWAL CONTRACT<sup>1</sup>**

**MULTI-YEAR TERM**

**1 CONTRACT INFORMATION<sup>2</sup>**

**PROJECT**

**Section 8 Project Number: VA39L000002**

**Section 8 Project Number of Expiring Contract: Same**

**FHA Project Number (if applicable): N/A**

**Project Name: Stonegate Village**

**Project Description:<sup>3</sup>**

**This property consists of (13) 1br, (14) 2br, (11) 3br, (8) 4br  
Section 8 units and (27) 1br, (70) 2br, (69) 3br, (28) 4br 236 Units.  
This property is located at 2244 Stone Wheel Drive, Reston, VA  
20191 and is in Fairfax County.**

**TYPE OF RENEWAL**

- ☒ Check this box for a project renewed under Section 524(a) of MAHRA (not including a Mark-Up-To-Market renewal).
- ☐ Check this box for a project renewed at exception rents under Section 524(b)(1) of MAHRA.

**PARTIES TO RENEWAL CONTRACT**Name of Contract Administrator<sup>4</sup>**Navigate Affordable Housing Partners**

Address of Contract Administrator

**500 Office Park Drive, Suite 300  
Birmingham, AL 35223**Name of Owner<sup>5</sup>**FAIRFAX COUNTY RHA/HCDC ONE LP**

Address of Owner

**3700 PENDER DRIVE  
FAIRFAX, VA 22030-6039****2 TERM AND FUNDING OF RENEWAL CONTRACT**

**a** The Renewal Contract begins on **10/1/2014**<sup>6</sup> and shall run  
for a period of **2 (Two)**<sup>7</sup> years.

**b** Execution of the Renewal Contract by the Contract Administrator is  
an obligation by HUD of \$ **\$275,787**<sup>8</sup>, an amount sufficient  
to provide housing assistance payments for approximately **12**  
<sup>9</sup> months of the first annual increment of the Renewal Contract  
term.

- c** HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

### **3 DEFINITIONS**

**ACC.** Annual contributions contract.

**Anniversary.** The annual recurrence of the date of the first day of the term of the Renewal Contract.

**Contract rent.** The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

**Contract units.** The units in the Project which are identified in Exhibit A by size and applicable contract rents.

**Fifth year anniversary.** The Renewal Contract annual anniversary that falls at expiration of each 5-year period of the Renewal Contract term.

**Fifth year comparability adjustment.** An adjustment of contract rents by the contract administrator at the Fifth Year Anniversary. The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

**HAP contract.** A housing assistance payments contract between the Contract Administrator and the Owner.

**HUD.** The United States Department of Housing and Urban Development.

**HUD requirements.** HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

**MAHRA.** The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

**Mid-term comparability adjustment.** An adjustment of contract rents by the contract administrator within each 5-year period of the Renewal Contract term (in addition to the comparability analysis and adjustment at

the Fifth Year Anniversary). The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

**OCAF.** An operating cost adjustment factor established by HUD.

**PHA.** Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.).

**Project.** The housing described in section 1 of the Renewal Contract.

**Renewal Contract.** This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

**Section 8.** Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

#### **4 RENEWAL CONTRACT**

##### **a Parties**

- (1) The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).
- (2) If HUD is the Contract Administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as Contract Administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 9 (HUD requirements), section 10 (statutory changes during term) and section 11 (PHA default), of the Renewal Contract.

##### **b Statutory authority**

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), and section 524 of MAHRA.

##### **c Expiring Contract**

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing

---

assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will expire prior to the beginning of the term of the Renewal Contract.

**d Purpose of Renewal Contract**

- (1) The purpose of the Renewal Contract is to renew the expiring contract for an additional term. During the term of the Renewal Contract, the Contract Administrator shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract.
- (2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, and has abated housing assistance payments to the Owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

**e Contract units**

The Renewal Contract applies to the Contract units.

**5 EXPIRING CONTRACT – PROVISIONS RENEWED**

- a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).
- b All provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:
  - (1) Identification of contract units by size and applicable contract rents;
  - (2) The amount of the monthly contract rents;

- 
- (3) Contract rent adjustments; and
  - (4) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.
- c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section 5.

## **6 CONTRACT RENT**

### **a Initial contract rents**

At the beginning of the Renewal Contract term, and until contract rents for units in the Project are adjusted in accordance with section 6b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A of the Renewal Contract.

### **b Contract rent adjustments**

#### **(1) OCAF or Budget-Based Rent Adjustments**

- (a) Except as provided in section 6b(2) below (concerning comparability adjustments at each Fifth Year Anniversary and discretionary comparability adjustments within each five-year term), during the term of the Renewal Contract the Contract Administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements by either of the following methods (as determined by the Contract Administrator in accordance with HUD requirements):
  - (i) Using an OCAF; or
  - (ii) At the request of the owner, based on the budget for the Project, as approved by the Contract Administrator in accordance with HUD requirements.

- 
- (b) Adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for adjustment of rent at each Fifth Year Anniversary (as determined in accordance with section 6b(2)(b) below).

**(2) Comparability adjustments**

- (a) **Applicability.** This section 6b(2) is applicable only if the contract has been renewed pursuant to Section 524(a) of MAHRA. This section 6b(2) does not apply to a project renewed at exception rents under Section 524(b)(1) of MAHRA (See section 1 of the Renewal Contract).
- (b) **Fifth year adjustment (comparability adjustment at expiration of each 5-year period, if applicable).**
- (i) This section 6b(2)(b) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).
- (ii) At the expiration of each 5-year period of the Renewal Contract term ("Fifth Year Anniversary"), the Contract Administrator shall conduct a comparability analysis of existing contract rents. At such Fifth Year Anniversary of the Renewal Contract, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable market rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.
- (iii) To assist in the redetermination of contract rents at each Fifth Year Anniversary, the Contract Administrator may require that the Owner submit to the Contract Administrator a rent comparability study prepared (at the Owner's expense) in accordance with HUD requirements.

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**(c) Mid-term adjustment (discretionary comparability adjustment within 5-year term)**

In addition to the comparability analysis and adjustment of contract rents at the Fifth Year Anniversary, HUD may, at HUD's discretion, require or permit the Contract Administrator to conduct a comparability analysis and adjustment of contract rents ("mid-term adjustment"), one more time within each 5-year period of the Renewal Contract term

**(d) Adjusting contract rent**

At the time of a fifth year or mid-term comparability adjustment, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

**(3) Procedure for rent adjustments during renewal term**

- (a)** To adjust contract rents during the term of the Renewal Contract (including an OCAF or budget-based adjustment in accordance with section 6b(1), or a fifth year or midterm adjustment in accordance with section 6b(2)), the Contract Administrator shall give the Owner notice with a revised Exhibit A that specifies the adjusted contract rent amounts.
- (b)** The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the Contract Administrator in accordance with this section. The adjustment notice by the Contract Administrator to the Owner shall specify when the adjustment of contract rent is effective.
- (c)** Notice of rent adjustment by the Contract Administrator to the Owner shall automatically constitute an amendment of the Renewal Contract.

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**(4) No other adjustments**

Except for contract rent adjustments in accordance with this section, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

**7 OWNER WARRANTIES**

- a** The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.
- b** The Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

**8 OWNER TERMINATION NOTICE**

- a** Before termination of the Renewal Contract, the Owner shall provide written notice to the Contract Administrator and each assisted family in accordance with HUD requirements.
- b** If the Owner fails to provide such notice in accordance with the law and HUD requirements, the Owner may not increase the tenant rent payment for any assisted family until such time as the Owner has provided such notice for the required period.

**9 HUD REQUIREMENTS**

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of section 6 (contract rent), shall not be applicable.

**10 STATUTORY CHANGES DURING TERM**

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of

section 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

## **11 PHA DEFAULT**

- a** This section 11 of the Renewal Contract applies if the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA Contract Administrator, for the purpose of PHA administration of the Renewal Contract.
- b** If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as Contract Administrator, to make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract, and that the Owner is not in default of its obligations under the Renewal Contract, HUD shall take any action HUD determines necessary for the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

## **12 EXCLUSION OF THIRD-PARTY RIGHTS**

- a** The Contract Administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the Owner's action or failure to act in connection with the Contract Administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.
- b** The Owner is not the agent of the Contract Administrator or HUD, and the Renewal Contract does not create or affect any relationship between the Contract Administrator or HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.
- c** If the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the Contract Administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the Contract Administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

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**13 WRITTEN NOTICES**

- a** Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.
- b** A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives a notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

REVISED SEP 15 2012

Attachment 11-2

**SIGNATURES****Contract administrator (HUD or PHA)**

Name of Contract Administrator

**Navigate Affordable Housing Partners**By: 

Signature of authorized representative

**Eric Q. Strong, CEO**

Name and official title

Date 9/16/14**U.S. Department of Housing and Urban Development**By: 

Signature of authorized representative

**Melanie Marston - Director, Multifamily DC Multifamily Program Center**

Name and official title

Date 9/17/14**Owner**

Name of Owner

**FAIRFAX COUNTY RHA/HCDC ONE LP**By: 

Signature of authorized representative

**Robert Easley - Assistant Secretary**

Name and title

Date 9/11/14

**SIGNATURES****Contract administrator (HUD or PHA)**

Name of Contract Administrator

**Navigate Affordable Housing Partners**By: 

Signature of authorized representative

**Eric Q. Strong, CEO**

Name and official title

Date 9/16/14**U.S. Department of Housing and Urban Development**

By: \_\_\_\_\_

Signature of authorized representative

**Melanie Marston - Director, Multifamily DC Multifamily Program Center**

Name and official title

Date \_\_\_\_\_

**Owner**

Name of Owner

**FAIRFAX COUNTY RHA/HCDC ONE LP**By: 

Signature of authorized representative

**Robert Easley - Assistant Secretary**

Name and title

Date 9/11/14

RECEIVED SEP 15 2011

**EXHIBIT A****IDENTIFICATION OF UNITS ("CONTRACT UNITS")****BY SIZE AND APPLICABLE CONTRACT RENTS**Section 8 Contract Number: **VA39L000002**FHA Project Number (if applicable): **N/A**Effective Date of the Rent Increase (if applicable): **10/1/2014**

<b>Number of Contract Units</b>	<b>Number of Bedrooms</b>	<b>Contract Rent</b>	<b>Utility Allowance</b>	<b>Gross Rent</b>
<b>13</b>	<b>1 Bedroom</b>	<b>\$ 659</b>	<b>\$ 95</b>	<b>\$ 754</b>
<b>14</b>	<b>2 Bedroom</b>	<b>\$ 696</b>	<b>\$ 87</b>	<b>\$ 783</b>
<b>11</b>	<b>3 Bedroom</b>	<b>\$ 752</b>	<b>\$ 117</b>	<b>\$ 869</b>
<b>8</b>	<b>4 Bedroom</b>	<b>\$ 839</b>	<b>\$ 155</b>	<b>\$ 994</b>

**NOTE:** This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with section 6b of the Renewal Contract.

Comments:

(HUD-9637)

Basic Renewal Contract  
Multi-Year Term  
REV-11-05-2007

**EXHIBIT B**

RECEIVED SEP 15 2009

**DISTRIBUTIONS LIMITATION**

**FOR PROJECT NOT SUBJECT TO DISTRIBUTIONS LIMITATION:**

If the project is not subject to any limitation on distributions of project funds, either pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, neither HUD nor the PHA may impose any additional limitation on distributions of project funds during the term of the Renewal Contract.

**FOR PROJECT SUBJECT TO DISTRIBUTIONS LIMITATION:**

If the project is subject to any limitation on distributions of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitation on distributions shall continue to be applicable during the term of the Renewal Contract, provided that the owner may take an increased distribution in accordance with the Section 8 Renewal Policy Guidance for Renewal of Project-Based Section 8 Contracts, (the "Guidebook").

However, owners of Section 8 properties must maintain the property in good condition, as demonstrated by a REAC score of 60 or higher, in order to take increased distributions.

The owner shall comply with the distribution limitations. The maximum distribution to the owner shall be equal to the total of:

- 1 The limited distribution permitted pursuant to the FHA Regulatory agreement or the Expiring Contract, **plus**
- 2 Any increased distribution as approved by HUD in accordance with the Guidebook.

(HUD-9637)

Basic Renewal Contract  
Multi-Year Term  
REV-12-27-2009



RECEIVED SEP 15 2014

**Part G – Information on Mortgagor Entity**

Name of Entity

Fairfax County RHA/HCDC One, L.P.

Type of Entity

- ☐ Individual    ☐ General Partnership    ☐ Joint Tenancy/Tenants in Common    ☐ Other (specify)  
☐ Corporation    ☐ Limited Partnership    ☐ Trust

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:

- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Fairfax County RHA/HCDC One, L.P.

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

**Part H – Owner Certification**

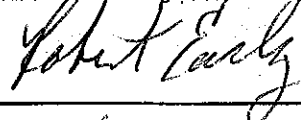
To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Robert Easley - Assistant Secretary

Authorized Official's Signature

9/11/14  
Date (mm/dd/yyyy)**Part I – HUD/Lender Approval**

Addendum Number

Branch/Chief Lender Official Signature

HAP Contract Number VA39L000002

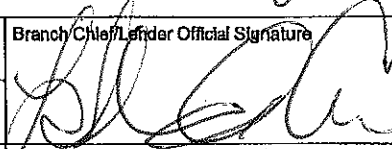
9/16/14  
Date (mm/dd/yyyy)

Exhibit Number

Director, Housing Management Division Signature

Loan Servicer Signature

Date (mm/dd/yyyy)

Date (mm/dd/yyyy)